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DrinkerBiddle&Shanley LLP PRINCETON FLORHAM PARK August 16, 2001

Magalie Roman Salas Secretary Federal Communications Commission 445 Twelfth Street, S.W. TW-A325

RE: Oral and Written Ex Parte Presentations

ACS of Alaska, Inc., et al.

Petition to Amend Section 51.405 of the Commission's Rules

CC Docket No. 96-98

Dear Ms. Salas:

Washington, DC 20554

On behalf of General Communication, Inc. ("GCI"), we hereby report oral and written ex parte presentations, made August 15, 2001, in the above referenced proceeding. Such presentations consisted of a conference call with Commission staff members, a letter sent to the Commissioners and phone calls to various Commission personnel as set forth below.

Attending the conference call were Dana Tindall, Martin Weinstein, and Mark Moderow from GCI and Joe D. Edge, Tina Pidgeon and Kathleen O'Neill from Drinker Biddle & Reath LLP, on behalf of GCI. The presentation was made to Michelle Carey, Chief, Policy and Program Planning Division; Ann H. Stevens, Associate Division Chief, Policy and Program Planning Division; Scott Bergmann; Renee Crittendon; and Jonathan Reel of the Common Carrier Bureau. The purpose of the conference call was to urge the Commission not to act precipitously with regard to the Petition for Rulemaking filed by ACS of Alaska ("ACS") regarding the burden of proof for rural exemption termination. The arguments delivered during the conference call are summarized in the attached letter that was sent to Chairman Michael K. Powell, Commissioner Kathleen Q. Abernathy, Commissioner Michael J. Copps, Commissioner Kevin J. Martin and Commissioner Gloria Tristani yesterday after the conference call with Commission staff. A copy of the letter was also sent to Kyle D. Dixon, Legal Advisor to Chairman Powell; Jordan Goldstein, Senior Legal Advisor to Commissioner Copps; Sam Feder, Acting Senior Legal Advisor to Commissioner Martin; Deena Shetler, Legal Advisor to Commissioner Tristani; Matthew Brill, Legal Advisor to Commissioner Abernathy; Dorothy Attwood, Chief, Common Carrier Bureau; Ms. Carey, Ms. Stevens, Mr. Bergmann and Mr. Reel. One copy of this letter is attached to this electronic filing pursuant to 1.1206(b)(2) of the Commission's Rules, 47 C.F.R. § 1.1206(b)(2).

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Ms. Magalie Roman Salas August 16, 2001 Page 2

Additionally, John Nakahata of Harris, Wiltshire & Grannis, on behalf of GCI, also spoke with Mr. Goldstein; Mr. Feder; Ms. Shetler; Mr. Brill; John Rogovin, Deputy General Counsel; Debra Weiner, Attorney, Office of General Counsel; and Jack Zinman, Counsel to the Bureau Chief, Common Carrier Bureau. Mr. Nakahata urged that the Commission and the Bureau not act precipitously on the referenced petition, that the 8th Circuit's reasoning in Iowa Utilities Board v. FCC did not compel a national rule or declaratory ruling by the Commission, and that issuance of such a rule would harm competition. Mr. Nakahata also stated that the issue of burden of proof was not the subject of an impending oral argument in state court in Alaska.

Please address any questions regarding the foregoing to the undersigned.

Sincerely yours,

/s/ Kathleen S. O'Neill

Attachment

VIA FACSIMILE AND HAND DELIVERY

The Honorable Michael K. Powell Chairman Federal Communications Commission 445 12th Street, S.W. Room 8-B201 Washington, D.C. 20554

RE: ACS of Alaska, Inc., et al.

Petition to Amend Section 51.405 of the Commission's Rules

CC Docket No. 96+98

Dear Chairman Powell:

General Communication, Inc. ("GCI") is very concerned that action on the referenced matter may be imminent and that such action may be taken without the benefit of a complete record on the issues raised by the petition. GCI provides competitive local exchange service in Anchorage and Fairbanks, Alaska and is one of the few remaining competitive carriers that is not in bankruptcy and is providing service consistent with the pro-competitive goals of the Communications Act and with this Commission's policies. GCI strongly opposes any action on the pending petition prior to GCI's scheduled meeting with the Common Carrier Bureau ("Bureau") next week, on August 22, 2001, and prior to full consideration of GCI's views.

On March 5, 2001, ACS of Alaska, Inc., ACS of Fairbanks, Inc., and ACS of the Northland, Inc. (collectively, "ACS") filed a petition seeking to amend Section 51.405 of the Commission's rules, which has been vacated by the Eighth Circuit. ACS seeks to have a new rule adopted allocating the burden of proof in a proceeding to terminate the rural exemption and to have this rule implemented with no opportunity for notice and comment. Both GCI and the Regulatory Commission of Alaska have issued preliminary oppositions to the ACS petition seeking either no immediate action or, in the alternative, consideration subject to notice and comment.

Any Commission action on the petition other than a simple denial could interrupt GCI's competitive service to existing customers in Fairbanks, Alaska, as GCI fully expects that ACS will move to disconnect GCI's customers in the event of any action on its petition. A range of possible Commission actions at this time are likely to disrupt — if not derail permanently — the competitive services that customers in Fairbanks are finally beginning to enjoy, a full five years

¹ <u>Iowa Utilities Board v. FCC</u>, 219 F.3d 744 (8th Cir. 2000).

The Honorable Michael K. Powell August 15, 2001 Page 2 of 2

after the Telecommunications Act of 1996 was passed. Any Commission action with the potential for such an anti-competitive impact should not be taken precipitously, and certainly there is no evidence on the record that such action should be taken in advance of GCI's long-scheduled FCC meeting, if any action is needed at all.²

For these reasons, GCI respectfully requests that any action on this item — other than a simple denial — be deferred, at least until GCI is afforded the opportunity to present its detailed views on this issue, the potential impact on pending Alaska court proceedings, and the potential impact on existing competitive service offerings, and until the Commission and the Bureau have the opportunity fairly to consider these views. If you have any questions about this matter, please contact the undersigned at (907) 265-5611.

Sincerely yours,

Dana Tindall/TMP

Dana Tindall
Senior Vice President, Legal and Regulatory Affairs

cc: Kyle D. Dixon
Dorothy Attwood
Michelle Carey
Ann H. Stevens
Scott Bergmann
Jonathan Reel

² GCI confirmed this meeting with Bureau staff on July 11, 2001. In selecting the meeting date, GCI was assured at that time that an August meeting would assure GCI an opportunity to have its views heard on this matter before Commission action on the pending petition.



VIA FACSIMILE AND HAND DELIVERY

The Honorable Michael J. Copps
Federal Communications Commission
445 12th Street SW
Room 8-A302
Washington, D.C. 20554

RE:

ACS of Alaska, Inc., et al.

Petition to Amend Section 51.405 of the Commission's Rules

CC Docket No. 96-98

Dear Commissioner Copps:

General Communication, Inc. ("GCI") is very concerned that action on the referenced matter may be imminent and that such action may be taken without the benefit of a complete record on the issues raised by the petition. GCI provides competitive local exchange service in Anchorage and Fairbanks, Alaska and is one of the few remaining competitive carriers that is not in bankruptcy and is providing service consistent with the pro-competitive goals of the Communications Act and with this Commission's policies. GCI strongly opposes any action on the pending petition prior to GCI's scheduled meeting with the Common Carrier Bureau ("Bureau") next week, on August 22, 2001, and prior to full consideration of GCI's views.

On Maroh-5, 2001, ACS of Alaska, Inc., ACS of Fairbanks, Inc., and ACS of the Northland, Inc. (collectively, "ACS") filed a petition seeking to amend Section 51.405 of the Commission's rules, which has been vacated by the Eighth Circuit. ACS seeks to have a new rule adopted allocating the burden of proof in a proceeding to terminate the rural exemption and to have this rule implemented with no opportunity for notice and comment. Both GCI and the Regulatory Commission of Alaska have issued preliminary oppositions to the ACS petition seeking either no immediate action or, in the alternative, consideration subject to notice and comment.

⁷ Iowa Utilities Board v. FCC, 219 F.3d 744 (8th Cir. 2000).

The Honorable Michael J. Copps August 15, 2001 Page 2 of 2

possible Commission actions at this time are likely to disrupt — if not derail permanently — the competitive services that customers in Fairbanks are finally beginning to enjoy, a full five years after the Telecommunications Act of 1996 was passed. Any Commission action with the potential for such an anti-competitive impact should not be taken precipitously, and certainly there is no evidence on the record that such action should be taken in advance of GCI's long-scheduled FCC meeting, if any action is needed at all.⁸

For these reasons, GCI respectfully requests that any action on this item — other than a simple denial — be deferred, at least until GCI is afforded the opportunity to present its detailed views on this issue, the potential impact on pending Alaska court proceedings, and the potential impact on existing competitive service offerings, and until the Commission and the Bureau have the opportunity fairly to consider these views. If you have any questions about this matter, please contact the undersigned at (907) 265-5611.

Sincerely yours,

Dana Tindall

Senior Vice President, Legal and Regulatory Affairs

ana Tindall/TMP

cc: Jordan Goldstein
Dorothy Attwood
Michelle Carey
Ann H. Stevens
Scott Bergmann
Jonathan Reel

⁸ GCI confirmed this meeting with Bureau staff on July 11, 2001. In selecting the meeting date, GCI was assured at that time that an August meeting would assure GCI an opportunity to have its views heard on this matter before Commission action on the pending petition.



VIA FACSIMILE AND HAND DELIVERY

The Honorable Kathleen Q. Abernathy
Federal Communications Commission
445 12th Street SW
Room 8-A204
Washington, D.C. 20554

RE: ACS of Alaska, Inc., et al.

Petition to Amend Section 51.405 of the Commission's Rules

CC Docket No. 96-98

Dear Commissioner Abernathy:

General Communication, Inc. ("GCI") is very concerned that action on the referenced matter may be imminent and that such action may be taken without the benefit of a complete record on the issues raised by the petition. GCI provides competitive local exchange service in Anchorage and Fairbanks, Alaska and is one of the few remaining competitive carriers that is not in bankruptcy and is providing service consistent with the pro-competitive goals of the Communications Act and with this Commission's policies. GCI strongly opposes any action on the pending petition prior to GCI's scheduled meeting with the Common Carrier Bureau ("Bureau") next week, on August 22, 2001, and prior to full consideration of GCI's views.

On March 5, 2001, ACS of Alaska, Inc., ACS of Fairbanks, Inc., and ACS of the Northland, Inc. (collectively, "ACS") filed a petition seeking to amend Section 51.405 of the Commission's rules, which has been vacated by the Eighth Circuit. ACS seeks to have a new rule adopted allocating the burden of proof in a proceeding to terminate the rural exemption and to have this rule implemented with no opportunity for notice and comment. Both GCI and the Regulatory Commission of Alaska have issued preliminary oppositions to the ACS petition seeking either no immediate action or, in the alternative, consideration subject to notice and comment.

⁹ <u>Iowa Utilities Board v. FCC</u>, 219 F.3d 744 (8th Cir. 2000).

The Honorable Kathleen Q. Abernathy August 15, 2001
Page 2 of 2

possible Commission actions at this time are likely to disrupt — if not derail permanently — the competitive services that customers in Fairbanks are finally beginning to enjoy, a full five years after the Telecommunications Act of 1996 was passed. Any Commission action with the potential for such an anti-competitive impact should not be taken precipitously, and certainly there is no evidence on the record that such action should be taken in advance of GCI's long-scheduled FCC meeting, if any action is needed at all.¹⁰

For these reasons, GCI respectfully requests that any action on this item — other than a simple denial — be deferred, at least until GCI is afforded the opportunity to present its detailed views on this issue, the potential impact on pending Alaska court proceedings, and the potential impact on existing competitive service offerings, and until the Commission and the Bureau have the opportunity fairly to consider these views. If you have any questions about this matter, please contact the undersigned at (907) 265-5611.

Sincerely yours,

Dana Tindall

Senior Vice President, Legal and Regulatory Affairs

cc: Matthew Brill
Dorothy Attwood
Michelle Carey
Ann H. Stevens
Scott Bergmann
Jonathan Reel

GCI confirmed this meeting with Bureau staff on July 11, 2001. In selecting the meeting date, GCI was assured at that time that an August meeting would assure GCI an opportunity to have its views heard on this matter before Commission action on the pending petition.



VIA FACSIMILE AND HAND DELIVERY

The Honorable Gloria Tristani
Federal Communications Commission
445 12th Street SW
Room 8-B115
Washington, D.C. 20554

RE: ACS of Alaska, Inc., et al.
Petition to Amend Section 51.405 of the Commission's Rules
CC Docket No. 96-98

Dear Commissioner Tristani:

General Communication, Inc. ("GCI") is very concerned that action on the referenced matter may be imminent and that such action may be taken without the benefit of a complete record on the issues raised by the petition. GCI provides competitive local exchange service in Anchorage and Fairbanks, Alaska and is one of the few remaining competitive carriers that is not in bankruptcy and is providing service consistent with the pro-competitive goals of the Communications Act and with this Commission's policies. GCI strongly opposes any action on the pending petition prior to GCI's scheduled meeting with the Common Carrier Bureau ("Bureau") next week, on August 22, 2001, and prior to full consideration of GCI's views.

On March 5, 2001, ACS of Alaska, Inc., ACS of Fairbanks, Inc., and ACS of the Northland, Inc. (collectively, "ACS") filed a petition seeking to amend Section 51.405 of the Commission's rules, which has been vacated by the Eighth Circuit. ACS seeks to have a new rule adopted allocating the burden of proof in a proceeding to terminate the rural exemption and to have this rule implemented with no opportunity for notice and comment. Both GCI and the Regulatory Commission of Alaska have issued preliminary oppositions to the ACS petition seeking either no immediate action or, in the alternative, consideration subject to notice and comment.

³ Iowa Utilities Board v. FCC, 219 F.3d 744 (8th Cir. 2000).

The Honorable Gloria Tristani August 15, 2001 Page 2 of 2

possible Commission actions at this time are likely to disrupt — if not derail permanently — the competitive services that customers in Fairbanks are finally beginning to enjoy, a full five years after the Telecommunications Act of 1996 was passed. Any Commission action with the potential for such an anti-competitive impact should not be taken precipitously, and certainly there is no evidence on the record that such action should be taken in advance of GCI's long-scheduled FCC meeting, if any action is needed at all.⁴

For these reasons, GCI respectfully requests that any action on this item — other than a simple denial — be deferred, at least until GCI is afforded the opportunity to present its detailed views on this issue, the potential impact on pending Alaska court proceedings, and the potential impact on existing competitive service offerings, and until the Commission and the Bureau have the opportunity fairly to consider these views. If you have any questions about this matter, please contact the undersigned.

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Pana Tirdall frup

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VIA FACSIMILE AND HAND DELIVERY

The Honorable Kevin J. Martin Federal Communications Commission 445 12th Street SW Room 8-C302 Washington, D.C. 20554

RE: ACS of Alaska, Inc., et al.

Petition to Amend Section 51.405 of the Commission's Rules

CC Docket No. 96-98

Dear Commissioner Martin:

General Communication, Inc. ("GCI") is very concerned that action on the referenced matter may be imminent and that such action may be taken without the benefit of a complete record on the issues raised by the petition. GCI provides competitive local exchange service in Anchorage and Fairbanks, Alaska and is one of the few remaining competitive carriers that is not in bankruptcy and is providing service consistent with the pro-competitive goals of the Communications Act and with this Commission's policies. GCI strongly opposes any action on the pending petition prior to GCI's scheduled meeting with the Common Carrier Bureau ("Bureau") next week, on August 22, 2001, and prior to full consideration of GCI's views.

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The Honorable Kevin J. Martin August 15, 2001 Page 2 of 2

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